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Date 4 JAN 91 HRP 89-2

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ORE 54-49 (This to Borel)

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These seem to be the points that worry me about it:

(1) This is a general discussion couched in general terms of a still-hypothetically nebulous plan as/applied to unspecified countries.

(2) It purports to discuss obstacles that might arise if the "plan" were placed in operation, but these "obstacles" ~~are not analyzed in detail~~ and seem based on general conclusions about how certain types of people generally react to given circumstances rather than/analyses of specific groups to determine how they would react

(3) Any of the obstacles could be inferred by anyone at all conversant with the world situation

(4) The paper is thus not an intelligence estimate but a discussion based on general observation; as such it is paralleled by numerous periodical articles (notably that in the Economist) some of which are no less penetrating in their analysis.

*If reasonably accurate, it is better for us to consider for this*  
*I do not see how this can be done if the present approach is retained.*

Actually, as the paper stands, you start with nothing (the program is still nothing more than challenging statements in an ~~a~~ inaugural address) and dis-

discusses nothing (no attempt has been made to define "underdeveloped" nor to specify areas of development in more than the most general possible way). I cannot help believing that this alone places the subject outside CIA's competence. This sort of advice, the President could get (and undoubtedly has got) anywhere. CIA, in short, has not added anything to general ~~material~~ ~~political~~ information; if CIA were unable to add anything to what is generally known and understood, there would be certainly be no reason for CIA to exist.

These are some random examples of what happens when you approach an alleged intelligence analysis from ~~tkz~~ the angle of general discussion and counsel:

(1) "There will be a natural impatience for concrete evidence of progress in the ~~form~~ form of smoking chimneys, mechanically operated farms, etc." (This was apparently lifted from the Economist) · When these signs do not materialize overnight, certain officials will lose enthusiasm and succumb to the old inertia." (p.4)

Now, no particular countries have been specified as the target of ~~THE~~ this statement, and ~~absolutely~~ no particular officials have been named. When you

may be any place in the world including Manhattan Island, what intelligence have you gathered on learning that "certain officials" may "lose enthusiasm" and succumb to the "old inertia"?

(2) "The demand for an Asian 'Marshall Plan' put forward ...at Lapstone, Australia....is a clear indication of the type of request which might be made for Africa, Latin America, and the Middle East as well." (p. 5-6)

This, of course, is a non-sequitur, but in any case, it is offered as part of an argument that there would be competition between areas for aid. Such a statement, ~~for aid~~, needs no argument; it is altogether too obvious even to require statement. If, on the other, a proposal had been made that we send a million dollars and a technician to Uruguay, and CIA knew that the <sup>only</sup> result would be bitter uncooperativeness on the part of the Paraguayans, we should have made an intelligence contribution.

(3) "Such reactions will vary widely from country to country but will be present to some degree in almost all of them."

This vague and cautious statement is made regarding the assertion that US <sup>private</sup> technical and/financial assistance will arouse <sup>the</sup> fears among local nationalists, and among local racketeers not wishing to have anyone muscle in, and that the

(4) "Young and intensely nationalistic states will be jealous of foreign tutelage...." (and thus be less than cooperative when you patronize them with unsought assistance.)

This is similar to saying that birds, on attaining a certain age, will fly.

254 "The growing nationalism in most underdeveloped countries has everywhere brought with it an increased distrust of foreign capital."

Note, in the first place that you don't know what an "underdeveloped country" is

or where one may be found. But in most of them, nationalism has brought distrust everywhere. All you've actually said is that when people become nationally self-conscious, they are particularly resentful of anything that implies that they are not just as good as anybody else and in fact a damnsight better.

(5) "Local nationalist and commercial opposition to direct foreign private investment will be far greater in some areas than to governmental or private loans."

This would be a more useful statement if you knew which area was which.

(6) "Moreover, in those countries with a high degree of political and economic instability, private capital will be exceedingly unwilling to invest."

This sounds like a resounding economic truth.

These are the only conclusions I can come to:

(1) You can publish it approximately as is. I don't think the world or CIA would come to an end if you did; I suspect the Agencies would concur without comment in jigtme; I haven't the least idea that anybody from Admiral

Hillenkoetter up and down would enter any complaint formal or informal.

(2) You can postpone publication until ~~takes~~ the Point IV program has taken shape; then recast the paper in accordance with the shape

(3) You can adopt a new approach which might result in making ~~54-49~~ publishable as intelligence now. This approach would consist in:

(a) Making assumptions about the nature of the actual program based on what is known of it now

(b) Defining "underdeveloped area" and specifying the exact areas to be treated

(c) Starting from these assumptions, indicating---in a general way if you like what would be the result if you applied (a) to (b)